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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, <i>et al.</i> , ¹	:	Case No. 18-23538 (RDD)
	:	
Debtors.	:	(Jointly Administered)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF
CHEDDARS CASUAL CAFÉ, INC., RARE HOSPITALITY INTERNATIONAL INC.,
AND RARE HOSPITALITY MANAGEMENT, LLC,
TO THE DEBTORS' CURE COSTS AND POTENTIAL ASSUMPTION
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

¹ The Debtors in these chapter 11 cases are as follows: Sears Holdings Corporation; Kmart Holding Corporation; Kmart Operations LLC; Sears Operations LLC; Sears, Roebuck and Co.; ServiceLive Inc.; SHC Licensed Garden, LLC; A&E Signature Service, LLC; FBA Holdings Inc.; Innovel Solutions, Inc.; Kmart Corporation; MaxServ, Inc.; Private Brands, Ltd.; Sears Development Co.; Sears Holdings Management Corporation; Sears Home& Business Franchises, Inc.; Sears Home Improvement Products, Inc.; Sears Insurance Services, L.L.C.; Sears Procurement Services, Inc.; Sears Protection Company; Sears Protection Company (PR) Inc.; Sears Roebuck Acceptance Corp.; Sears, Roebuck de Puerto Rico, Inc.; SYW Relay LLC; Wally Labs LLC; SHC Promotions LLC; Big Beaver of Florida Development, LLC; California Builder Appliances, Inc.; Florida Builder Appliances, Inc.; KBL Holding Inc.; KLC, Inc.; Kmart of Michigan, Inc.; Kmart of Washington LLC; Kmart Stores of Illinois LLC; Kmart Stores of Texas LLC; MyGofer LLC; Sears Brands Business Unit Corporation; Sears Holdings Publishing Company, LLC; Sears Protection Company (Florida), L.L.C.; SHC Desert Springs, LLC; SOE, Inc.; StarWest, LLC; STI Merchandising, Inc.; Troy Coolidge No. 13, LLC; BlueLight.com, Inc.; Sears Brands, L.L.C.; Sears Buying Services, Inc.; Kmart.com LLC; and Sears Brands Management Corporation.

Cheddars Casual Café, Inc., Rare Hospitality International Inc., and Rare Hospitality Management, LLC (collectively, the “Darden Parties”), by and through their undersigned counsel, hereby submits this limited objection and reservation of rights with respect to the Cure Amounts proposed in connection with the potential assumption and assignment of the Debtors’ executory contracts and unexpired leases, as listed in the *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with the Global Sale Transaction* [Docket No. 1731] (the “Assumption and Assignment Notice”).² In support of this limited objection, the Darden Parties state as follows:

LIMITED OBJECTION

1. The Debtors are a landlord or licensor in connection with two (2) leases and one (1) license agreement (respectively, the “Leases” and the “License Agreement”) pursuant to which the Darden Parties are either a tenant or licensee as follows:

- License Agreement by and between the Debtors and Rare Hospitality Management, LLC (4201 N. Harlem Ave., Norridge, IL);
- Lease by and between the Debtors and Rare Hospitality International Inc. (Colonial Park Mall, 4590 Jonestown Rd, Harrisburg, PA 17109); and
- Lease by and between the Debtors and Cheddars Casual Café, Inc. (Valley View Mall, 4814 Valley View Blvd NW, Roanoke, VA 24012).

2. The Assumption and Assignment Notice fails to provide “Contract Titles” or “Contract Executed Date” with respect to the Leases and License Agreement listed in the Assumption and Assignment Notice and does not reference the subject premises or location of such Leases or License Agreement. Accordingly, absent such information, and having to rely solely on the “Counterparty Name,” the Darden Parties lack the requisite information to confirm

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Assumption and Assignment Notice.

which Leases the Debtors potentially seek to assume and assign to the Buyer and whether the Buyer is aware of the terms of the Leases or License Agreement. Additionally, if the Debtors are referencing the License and Leases, the Debtors have incorrectly classified the License Agreement between the Debtors and Rare Hospitality Management, LLC as a lease and the Lease between the Debtors and Cheddars Casual Café, Inc. as an executory contract.

3. The Darden Parties are working with the Debtors to address the confusion and uncertainty and determine whether the proposed cure amounts are accurate and whether there are other non-monetary obligations that need to be addressed. The Darden Parties reserve all rights with respect thereto.

**RESERVATION OF RIGHTS WITH RESPECT
TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE**

4. The Assumption and Assignment Notice provides that Adequate Assurance Information for the Buyer will be distributed to the applicable Counterparties. The Darden parties reserve their rights to: (i) have a reasonable opportunity to receive and review the Adequate Assurance Information; (ii) request additional information if the Adequate Assurance Information is insufficient; (iii) schedule and conduct any necessary discovery based on Adequate Assurance Information (or lack of information) received; and (iv) file an objection to the Adequate Assurance Information (or lack of information).

RESERVATION OF RIGHTS

5. The Darden Parties reserve their rights to supplement, amend, or modify this Limited Objection and Reservation of Rights at any time up to and including the Sale Hearing. Nothing herein is intended to be a waiver by the Darden Parties of any right, objection, argument, claim, or defense with respect to any matter, all of which are hereby expressly reserved.

Dated: January 25, 2019
New York, New York

Attorneys for Rare Hospitality Management,
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